GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:571
ANSWERED ON:25.07.2001
PACKAGE FOR KVIC
NARESH KUMAR PUGLIA

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the Government have announced any package for the Khadi and Village Industries sector;

(b) if so, the details thereof;

(c) whether the Khadi and Village Industries sector is facing lack of working capital; and

(d) if so, the steps taken or being taken by the Government to tackle this problem?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND RURAL INDUSTRIES, MINISTER OF STATE IN THE DEPARTMENT OF PERSONNEL AND TRAINING, DEPARTMENT OF PEN AND PENSIONERS WELFARE OF THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND M OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRIMATI VASUNDHARA RAJE)

(a) & (b): The Government of India announced a package for the Khadi and Village Industries sector on 14th May, 2001, with the prime objectives of creating more jobs in rural areas and empowering women and backward classes in India. The main features of this package consist of Rebate Policy for five years, options of Rebate and Market Development Assistance (MDA), Insurance cover to Khadi artisans, emphasis on improvement of Khadi products, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development, focus on core areas and provision of additional working capital.

(c) & (d): In order to meet the requirement of working capital, the package envisages that the term loan of Rs. 300 crore given to Khadi institutions under the Consortium Bank Credit Scheme will be allowed to be converted into working capital. The package provides for an additional amount of Rs. 250 crore to be provided to those institutions willing to switch over from Rebate Scheme to MDA.